



**DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL**

**From The Office Of State Auditor  
Claire McCaskill**

**Report No. 2003-22  
March 5, 2003  
[www.auditor.state.mo.us](http://www.auditor.state.mo.us)**

# AUDIT REPORT



Office Of The  
State Auditor Of Missouri  
Claire McCaskill

March 2003

**The following problems were discovered as a result of an audit conducted by our office of the Department of Public Safety, Office of the Adjutant General.**

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The Office of the Adjutant General (OAG) currently operates 63 individual armories located in various cities and towns statewide. The costs to operate and maintain these armories are paid from federal and state funds. The OAG's long-range plans currently estimate armory repair, maintenance, and capital improvement costs will total approximately \$33 million over the next eight years. The OAG rated 17 (or 26 percent) of the armories in the worst category for their condition. Some armories exist within close proximity and some operate with a low ratio of actual to authorized troop strength. The audit recommends the OAG determine whether any armories should be closed for economical reasons.

State law established the National Guard Member Scholarships Program. This program allows any active member of the Missouri National Guard to receive tuition assistance while attending an approved public or private institution. State funding will pay 100 percent tuition assistance to those eligible guardsmen who enlisted prior to April 1, 2001, and 50 percent tuition assistance to those enlisting after April 1, 2001. Expenditures for tuition have risen from \$573,982 in fiscal year 2000 to over \$2 million in fiscal year 2002. We noted the OAG maintains no formal system to track the total amount of assistance paid to each guardsman and has not established an accounts receivable control account nor detailed listings to account for amounts owed due to noncompliance with program requirements. A total of \$258,354 was owed to the state for recoupment of tuition assistance as of November 2002.

The OAG has 189 cellular telephones, with most assigned to specific individuals and some reserved for pool usage. Cellular phone charges have risen from approximately \$79,500 during fiscal year 2000 to over \$187,000 during fiscal year 2002. The audit noted that some of the OAG's cellular phones were not enrolled in the most cost-effective plan.

The OAG does not reimburse the state's General Revenue Fund for monies used for salary costs of civilian employees working in its cafeteria. Further, these costs are not included in calculating food prices for the cafeteria. As a result, the state's General Revenue Fund is subsidizing operations of the OAG's cafeteria. An OAG official indicated total cafeteria salary and benefit costs paid from the General Revenue Fund amounted to \$227,804 and \$220,950 in fiscal years 2002 and 2001, respectively.

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DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL

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## STATE AUDITOR'S REPORT



**CLAIRE C. McCASKILL**  
**Missouri State Auditor**

Honorable Bob Holden, Governor  
and  
Charles R. Jackson, Director  
Department of Public Safety  
and  
Brigadier General Dennis Shull, Adjutant General  
Office of the Adjutant General  
Jefferson City, MO 65102

We have audited the Department of Public Safety, Office of the Adjutant General. The scope of this audit included, but was not necessarily limited to, the years ended June 30, 2002 and 2001. The objectives of this audit were to:

1. Review the efficiency and effectiveness of certain management practices.
2. Review certain financial activity and related procedures and examine compliance with certain statutes.
3. Review certain other internal control procedures and management practices.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances. In this regard, we reviewed written policies, financial records, and other pertinent documents, and interviewed various personnel of the Office of the Adjutant General.

As part of our audit, we assessed the agency's management controls to the extent we determined necessary to evaluate the specific matters described above and not to provide assurance on those controls. With respect to management controls, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation and we assessed control risk.

Our audit was limited to the specific matters described above and was based on selective tests and procedures considered appropriate in the circumstances. Had we performed additional procedures, other information might have come to our attention that would have been included in this report.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in the audit of the Office of the Adjutant General.

The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Public Safety, Office of the Adjutant General.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" written in a larger, more prominent script than the last name "McCaskill".

Claire McCaskill  
State Auditor

October 4, 2002 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Kenneth W. Kuster, CPA
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	Mary Johnson

MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
MANAGEMENT ADVISORY REPORT -  
STATE AUDITOR'S FINDINGS

1.

**Armories**

The Office of the Adjutant General (OAG) currently operates 63 individual armories located in various cities and towns statewide. The costs to operate and maintain these armories are paid from federal and state funds. Since many armories are aging and have high operating and capital improvement costs and some armories are located in close proximity to one another and serve similar functions, it appears the issue of consolidation and/or closure of some armories should be considered by the OAG.

Armories are costly to maintain and often require frequent repair, maintenance, and capital improvements. This may be due in part to the existence of several older facilities. Fifteen armories were built in 1945 or before. The OAG's long-range plans currently estimate armory repair, maintenance, and capital improvement costs to total approximately \$33 million over the next eight years. Annual installation status reports are conducted and each armory is given an overall rating. Currently, 17 (or 26 percent) of the armories are rated in the worst (red) category for their condition. Facilities with overall ratings in this category are planned to incur repair, maintenance, and capital improvement costs averaging over \$550,000 per armory over the next eight years. Many of these are aged facilities and thus, might require above average costs to maintain.

According to OAG personnel, the issue of closing armories has previously been considered and some armories were identified for possible closure, however, no documentation of the study or its recommendations for armory closures was kept by the OAG. Additionally, pairs or more of armories exist within close proximity to one another. Some of these armories also have a low troop strength and/or a low ratio of actual troop strength to authorized troop strength. As of the end of October, 2002, there existed 8 (13 percent) armories with troop strength at or below 75 percent of authorized levels, including one armory at only 32 percent of authorized troop strength and another at 17 percent. OAG personnel also informed us that some nearby armories already combine forces on drill weekends, with activities occurring the first day at one armory and at the other armory the ensuing day. This may indicate a potential for closing one of the armories.

There may be opportunities for the OAG to realize cost savings and increased economy and efficiency through the closure of some armories. The OAG should investigate and determine the feasibility of reducing the number of armories operating within the state.

**WE RECOMMEND** the OAG conduct a feasibility study to determine whether any armories should be closed for economical reasons.



## **AUDITEE'S RESPONSE**

*The OAG agrees in concept that a potential may exist for financial savings by consolidating occupancy of some facilities and closing other marginal facilities. In the past, political sensitivities have not allowed closure options to be seriously considered. In view of the current state financial challenges, such solutions may now be more feasible. Any decision must be in harmony with the requirements of National Guard Bureau Regulation (NGR) 10-1 that establishes the requirements for federal recognition of Army National Guard units receiving federal support. Failure to adhere to the requirements of NGR 10-1 will jeopardize federal basing of those National Guard units in the State of Missouri. The Adjutant General has tasked the Chief of Staff, Missouri Army National Guard, to conduct a feasibility study resulting in a decision briefing. If the decision briefing results in recommendations of armory closures or consolidations, the issue will be brought to the Military Council for consideration. The Military Council serves as the advisory board to the Adjutant General and the Governor in accordance with the provisions of Section 41.220, Missouri Revised Statutes. A final recommendation would be referred to the Governor as the Commander in Chief of the Missouri Military Forces.*

<b>2. National Guard Member Scholarships Program</b>
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Section 173.239, RSMo 2000, establishes the National Guard Member Scholarships Program. Any active member of the Missouri National Guard can receive tuition assistance while attending an approved public or private institution. State funding will pay 100 percent tuition assistance to those eligible guardsmen who enlisted prior to April 1, 2001, and 50 percent tuition assistance to those enlisting after April 1, 2001. The law establishes criteria for eligibility, student performance, funding limitations, and default and repayment of assistance. Expenditures for tuition have risen from \$573,982 in state fiscal year 2000 to over \$2 million in state fiscal year 2002. OAG personnel indicated that approximately 900 individuals were receiving assistance for the Fall 2002 semester. The results of our audit indicate a need to better manage and monitor educational assistance payments.

A. The OAG lacks a formal automated tracking system to monitor compliance with various aspects of state law and to account for amounts in default.

- State law limits the number of semesters or quarters for which a guardsman is eligible for tuition assistance. Currently, OAG personnel must rely on having a participants' latest college transcript on file to determine compliance with this provision.

State law requires a guardsman to remain a member of the Missouri National Guard for three years following the last semester for which tuition assistance was received or repay the total amount of educational assistance received. Currently, OAG personnel must manually research individual files to determine compliance with this provision and establish the amount of the accounts receivable. This results in untimely and erroneous billings. We noted

three of fourteen accounts tested (21 percent) were not billed until one to five months subsequent to default.

- The OAG maintains no formal system to track the total amount of assistance paid to guardsman. Instead, OAG personnel merely place copies of assistance checks in the files of individual guardsmen. The lack of a system to record and track total assistance payments has resulted in errors when calculating the accounts receivable resulting when guardsmen default. We noted four of fourteen accounts tested (29 percent) had errors in calculating the amount of the receivable. In addition, OAG personnel brought to our attention six more accounts, totaling \$4,465, where errors were made in calculating the amount of receivable. This resulted in these amounts not originally being billed.
- The OAG has not established an accounts receivable control account nor detailed listings to account for amounts owed. Instead, OAG personnel must refer to individual files containing copies of billing letters and documentation of amounts received. We noted a total of \$258,354 was owed to the state for recoupment of tuition assistance at the end of November, 2002.

The OAG should develop a formal automated tracking system to monitor compliance with various aspects of state law and to account for amounts in default.

- B. Duties related to accounts receivable are not adequately segregated. Currently, the same individual prepares billings, receives payments, and maintains the accounting records. In addition, management does not perform regular reviews of the accounts to ensure they are being maintained properly. Without proper segregation of duties and adequate supervision of the tuition assistance program, problems and errors may go undetected and the risk of misappropriation of assets is increased.

**WE RECOMMEND** the OAG:

- A. Develop a formal automated system to monitor compliance with various aspects of state law and to account for amounts in default.
- B. Segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.

**AUDITEE'S RESPONSE**

- A. *At the suggestion of the auditor, we have added data fields to our database to capture the number of semesters and semester hours of tuition assistance provided to each soldier. Under the state statute an individual is eligible to receive up to 10 semesters, 15 quarters, or the equivalent. The purpose of the transcript is not to determine compliance with the number of semesters as the auditor suggests, but to determine compliance with*

*the required 2.5 cumulative grade point average (GPA) to ensure the individual remains a qualified applicant for assistance. In addition to ensuring the GPA is maintained, it is used as our check to ensure that when the individual signed up for 15 hours at the beginning of a semester and we paid the school for 15 hours, that the soldier in fact completed 15 hours and did not drop a class or classes before the end of the semester. By using the transcript in the manner described, we are able to recoup from the next semester any amounts over paid by us for the previous semester class or classes that the soldier may have dropped without notifying National Guard of Missouri – Director of Personnel, Plans - Incentives (NGMO-DPP-I). This could be accomplished without going into a complete recoup process using the Attorney General's office.*

*The individual responsible for the past recoup actions audited no longer works in the NGMO-DPP-I office. Since July 1, 2002, NGMO-DPP-I has reorganized and re-delegated responsibilities internally. The Account Clerk II and the Education Services Officer perform the functions involved in recouping monies due the state since July 1, 2002. This allows for two internal reviews on billing amounts and one external review with all associated documentation by the Attorney General's Office. The time delay in 1 to 5 months subsequent to the default date is a matter outside of the NGMO-DPP-I office's ability to correct. The discharge orders are given to NGMO-DPP-I on a daily basis, however the effective date of discharge may be as many as 6 months before the actual date of the order. In addition, if NGMO-DPP-I receives the discharge order during the beginning of a semester, the priority is to provide payment support to our active soldiers.*

*There are no statutory requirements to develop or maintain a cumulative total of assistance provided to an individual and to do such is merely an additional administrative burden on this office. As stated above, since July 1, 2002, new measures have been implemented to alleviate the errors.*

*This office has established a database to track accounts receivable of all individuals who are in default. We also reconcile with the Attorney General's Office on cases turned over to them for collection. In addition NGMO-DPP-I receives a monthly accounts receivable report from the State Fiscal Office which we balance against each month.*

*We have in the past 6 months implemented several new and amended procedures that track the areas that the auditor had identified. Prior to July 1, 2002, the Education Services Officer handled all recouping actions. This individual had no computer skills and at best had limited knowledge of accounting methods. Although we have implemented new tracking procedures and methods, we still have several steps left to go. At this point the single largest hurdle we must clear is one of personnel. The sheer volume of work that passes through the Education Services Office each semester is huge. This office went from processing 61 applications the first year to processing over 1,600 each year. The budget has grown from \$37,000 the first year to over \$2,000,000 annually. Recouping of tuition assistance has grown from \$12,762 during Fiscal Year 2001 (FY-01) to \$83,936 during FY-02. Since the beginning of FY-03 on July 1, 2002, this office has collected \$77,724 in only 7 months. Our scholarship budget has increased*

*over 50 times what it was during the first year and the number of applications has increased over 25 times. With this in mind we believe we are doing an outstanding job with the number of personnel we have to administrator the program. We are seeking additional assistance through a part-time or full-time employee. If it is found to be impossible to add manning to the NGMO-DPP-I office, it may be necessary to task other directorate personnel to assist on an as-needed basis to provide separation of duties. Current state budget shortfalls are delaying the added assistance.*

- B. With budget and personnel constraints it is currently impossible for NGMO-DPP-I to properly segregate the duties and perform the reviews as the auditor suggests. A desk audit has been requested to elevate the Account Clerk II position to an Accountant I. This would facilitate adding personnel under that position to segregate duties and deal with the workload volume. Additional manning support is being considered as discussed in the paragraph above.*

<b>3. Cellular Phones</b>
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The OAG could realize cost savings by strengthening its current cellular phone policy and by taking steps to ensure full compliance with that policy. Currently, the OAG has 189 cellular telephones, with most assigned to specific individuals and some reserved for pool usage. Cellular phone charges have risen from approximately \$79,500 during fiscal year 2000 to over \$187,000 during fiscal year 2002. These costs are paid from state and federal funds.

The OAG may be paying too much for cell phone charges since some individuals are assigned to inappropriate cellular phone plans. This occurs because the OAG's current policy includes no guidance regarding how to determine which pay plan to assign to individuals upon issuance of a phone. In addition, phone usage is not adequately monitored. While the OAG's policy does require cellular phone plans to be reviewed periodically to identify and switch to plans that meet needs at the lowest cost, the procedure by which plans are reviewed is not always effective. Monitoring of the plans is left to the individual supervisors of cellular phone users and it appears these supervisors are not required to identify and justify the existence of users in inappropriate plans. Thus, the supervisors do not always initiate changes in plans, where appropriate.

We reviewed individual cellular phone bills, usages, and plans for the months of May and June 2002 and noted numerous examples of individual users set up in inappropriate plans. The following table illustrates some of these examples:

Example	Monthly Fees	Monthly Free Peak Minutes	May 2002 Charges	Total Minutes Used May 2002	June 2002 Charges	Total Minutes Used June 2002
1	\$24	150	\$164	464	\$196	502
2	24	150	338	845	369	908
3	24	150	128	387	323	823
4	40	400	40	27	40	36
5	40	400	610	1,972	836	2,594
6	40	400	231	942	653	2,109
7	56	600	483	1,804	232	1,093
8	56	600	166	913	225	1,082
9	85	900	85	11	85	181
10	85	900	85	31	85	74

While there were other examples of individuals set up with inappropriate phone plans, it should also be noted that we did observe occasions where supervisors initiated appropriate changes to users' cellular phone plans based upon a monthly review of billings. However, it is possible that not all supervisors are properly considering the variety of phone plans available when reviewing monthly bills. Accordingly, they do not always appear to be initiating appropriate phone plan changes for their users.

The OAG should expand its current policy to periodically require supervisors of cellular phone users or another independent party to formally justify cellular phone users to remain in plans that do not seem appropriate or to simply initiate changes into more appropriate plans. In addition, the OAG should review its current and historical levels of cellular phone use for business-related purposes along with the types of employee positions that require cellular phones and develop a standard for matching employees and their positions to cellular phone plans. Implementing such procedures should result in cost savings to the state.

**WE RECOMMEND** the OAG expand its current policies and procedures to ensure the most cost-effective cellular telephone plans for business-related purposes are selected based on actual usage by OAG personnel.

### **AUDITEE'S RESPONSE**

*From July 8, 2002, through February 4, 2003, 79 cell phones have been disconnected. The total recurring cost per month for these 79 cell phones was \$3,680. In the next two months, 47 more cell phones will be disconnected or removed from our account due to Recruiting assuming the payment from 100% federal funds. The total recurring cost per month for these 47 phones is*

\$2,764. Rate plans continue to be reviewed and changed as needed. Supervisors have been directed to review and approve cellular phone billings.

<b>4. Cafeteria Operations</b>
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The OAG does not reimburse the state's General Revenue Fund for appropriations used for salary costs of civilian employees working in its cafeteria. Further, these costs are not included in calculating food prices for the cafeteria. As a result, the state's General Revenue Fund is subsidizing operations of the OAG's cafeteria. Since cafeteria sales proceeds are deposited into the National Guard Training Site Fund, the OAG should reimburse the General Revenue Fund for the salary costs or pay salary costs directly from the National Guard Training Site Fund. An OAG official indicated total cafeteria salary and benefit costs paid from the General Revenue Fund amounted to \$227,804 and \$220,950 in fiscal years 2002 and 2001, respectively.

This subsidy of the cafeteria operations by the state's General Revenue Fund appears to be, in effect, a grant of public monies or property to a private person, association, or corporation as prohibited by Article III, Section 38(a) of the Missouri Constitution. For the OAG to repay the state's General Revenue Fund for the cost of civilian employees, an average retail price increase of about 85 percent would be necessary. For example, the price of the special of the day would need to rise from \$2 to \$3.70, a hamburger from \$1 to \$1.85, and a breakfast sandwich from \$1.50 to \$2.78.

To correct this situation, the OAG should adjust cafeteria food prices to include salary costs and either pay cafeteria salaries directly out of the National Guard Training Site Fund or periodically reimburse the state's General Revenue Fund from the National Guard Training Site Fund for the costs of salaries paid.

**WE RECOMMEND** the OAG adjust cafeteria food prices to reflect the costs of employee salaries and ensure the state's General Revenue Fund is not subsidizing cafeteria operations.

**AUDITEE'S RESPONSE**

*Concur with the recommendation of the state audit. The cafeteria of the OAG was established to provide food service support for members of the Missouri National Guard attending training at the Ike Skelton Training Site (ISTS), members of the Army and Air National Guard of other states, and State and Federal employees other than the OAG attending training or conducting meetings at the ISTS. The operation of the cafeteria also enabled the workforce of the OAG to have a readily accessible and safer environment to obtain meals. The operation of the cafeteria is essential to the ISTS operation due to the unique security requirements of the installation which would result in unacceptable time loss for people departing for lunch. Return through the security control point at lunch would back traffic up and create an extreme safety hazard at the railroad tracks. Under the current flexible tour work schedule employees have a 2½-hour window afternoon. A noon meal break must be concentrated for customer service and continuity*

*of operations. Prior to the state audit, the costs of the operation of the cafeteria were considered in the establishment of prices for food items. These costs were food item costs, food service supplies, trash collection, pest control, uniform cleaning, equipment replacement, equipment repair, and inmate labor costs. The prices were reviewed periodically and changed to reflect changes in food item costs, the charge back of utilities (gas, electric, and water), and court rulings necessitating the collection and payment of state sales tax. After discussion with the state auditors, the cost of the employees have been factored in and the prices established for each food item has been changed to reflect the cost of these employees. A price increase of 67% was implemented on January 13, 2003, after we calculated the new cost for each item and the projected revenue these changes will generate. This process will be reviewed on an annual basis to determine if the cafeteria remains self-sufficient. In addition, legislative action will be initiated to allow the Training Site Fund account to have the capability of paying for personal service. Currently the Training Site Fund has the authority to pay for expense and equipment items, but not personal service costs.*

<b>5. Fixed Asset Inventory Audits</b>
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Audits performed by the OAG's internal auditors contain several suggestions for improvement. We reviewed these audit reports and performed limited procedures in the area of fixed asset inventories and consequently, support the recommendations contained in the reports issued by the OAG's internal auditor.

The OAG internal auditor conducted fieldwork at twenty-four armories and training sites and the Youth Challenge program at Camp Clark. Some of the conditions noted as a result of this fieldwork are as follows:

- Changes to the fixed asset inventory records were not reported or completed on a timely basis or were not reported at all. As a result, the property books were not accurate or up-to-date.
- Property tags were not being applied or had worn off. In addition, the fixed asset inventory listing did not always contain sufficient detail.
- Duties were not adequately segregated regarding the control and counting of annual inventory. Personnel responsible for control, additions, and deletions of fixed asset inventory items were also responsible for conducting the annual inventory. As a result, errors could remain undetected and the risk of theft is increased.

Recommendations contained in the internal auditors' reports should be implemented by the OAG to improve the accounting records, strengthen controls, and reduce the risk of loss or theft for fixed asset inventories.

**WE RECOMMEND** the OAG implement recommendations contained in the internal audit reports dealing with fixed asset inventories.

## **AUDITEE'S RESPONSE**

*Concur with the following comments: The fixed assets of the OAG are being identified with either property tags or tags identifying items as State Property. The property section of the National Guard of Missouri State Resources Support Office(NGMO-SRS) is currently staffed by one individual which results in a severe backlog of work even though other members of the Section give assistance. Property numbers or tags are placed on items when received by NGMO-SRS (Property Section). Currently this office can only control items that have been purchased or that are coordinated with the purchasing office. Items purchased by other programs and not coordinated with this office can only be identified by physically inventorying these items when an inventory is scheduled for that area. In some cases property tags or numbers are removed or fall off the equipment resulting in items having no tags, even though they have been assigned and are on file in the old database system. In the past, several previous property individuals have updated the database program. This process allowed different descriptions, nomenclature, etc., to be entered. When the old program was developed no standard item descriptions were included in the design. The new program purchased by the NGMO-SRS will eliminate this problem, as standard nomenclature will be loaded in the program. Improvement in this area is currently being identified and will be discussed later.*

*The NGMO-SRS office is not doing a 100% physical hands on inventory. The NGMO-SRS sends out hand receipts to be inventoried by units and programs on a monthly schedule. Signed copies are not placed in the property file until both this office and the hand receipt holder's copy agree. This procedure can be on going until actions are completed, thus resulting in signed copies of inventories being older than one year. In addition, the NGMO-SRS tries to accomplish unannounced inventory of selected hand receipts on an annual basis. The Missouri NGR 735-1, dated January 1, 2000, was placed on the National Guard Web-Site and was available to all units and programs. The NGMO-SRS office will send a hard copy or email to units that require.*

*A SAM II workflow process change has been requested to have NGMO-SRS in the approval process when other programs of the Missouri National Guard purchase equipment. This workflow process will only route through the NGMO-SRS office when items are purchased utilizing object codes that identify items as equipment. These object codes are those approved and identified by SAM II for identifying equipment. This will enable NGMO-SRS to know when programs other than what is purchased through the State Support Office require tagging. In addition, when the Telecommunications and Facilities programs initiate purchase orders, a requirement to NGMO-SRS as the "Ship To" address has been implemented. This will allow NGMO-SRS to have the opportunity to tag equipment prior to being delivered to these sections.*

*A new fixed asset management program has been purchased, received, and is undergoing installation by the Information Management Division of the Office of the Adjutant General. The program was modified to reflect our needs and includes the old database program information that is used to track items. This program has the capability of receiving fixed asset downloads from SAM II thus allowing this office to do exception screenings and to take corrective action. The new program will have bar-coding capability and can be networked to other programs. Barcode printers, barcode scanners, and laptop computers are also a part of this program. This will allow NGMO-SRS to scan barcodes, make changes, and print hand receipts immediately*



*upon completion of inventories. The implementation of this new system will require a 100% physical hands-on inventory of all equipment to ensure accurate accountability between the state SAM II system and the fixed asset program.*

HISTORY, ORGANIZATION, AND  
STATISTICAL INFORMATION

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

The governor is the commander in chief of the Missouri National Guard, and the adjutant general serves as the governor's chief of staff and administrative head of the military establishment. National Guard forces, as a result of a dual relationship, serve under the governor and, also, train to the standards prescribed by Congress, and report through the active military chain of command to the president when troops function in a federal status. The Office of the Adjutant General supervises all matters pertaining to administration, training, discipline, and mobilization of the Army and Air National Guard of Missouri.

Among state agencies, operation of the National Guard is under a unique joint federal/state relationship. Appropriations from the General Assembly pay for a portion the operation and maintenance of state armories. Some personnel of the adjutant general's office are state-paid employees.

As the military force available to the governor, the National Guard may be called on in times of emergency, when conditions threatening public health, safety, or welfare are beyond the ability of local governments to respond. When National Guard units are called to duty under those conditions, salary and operational expenses are covered by state funds appropriated to the Office of the Governor.

When performing monthly training and during annual training periods, salary and operational costs of National Guard units are paid through congressional appropriations to the Department of Defense. Federal funds also pay for the equipping of National Guard units and members, and units and individuals must meet standards identical to those of the regular forces. Numerous federally-paid civilian employees, military technicians, and active duty service members work alongside the office's state employees.

In addition to military duties, the adjutant general oversees the operation of the State Emergency Management Agency (SEMA) and the Office of Air Search and Rescue.

The Office of the Adjutant General is a constitutional office, called for by Article III, Section 46 of the Constitution of the State of Missouri. The majority of the statutory references of the office are found in Chapter 41, RSMo 2000. The office was assigned to the Department of Public Safety by specific transfer agreement under provisions of the Omnibus State Reorganization Act of 1974.

As of June 30, 2002, excluding SEMA, the office is authorized 474 full-time and 26 part-time state employees of which 253 were primarily paid from federal funds appropriated to the state. The Adjutant General during the audit period was Brigadier General Dennis Shull.

APPENDIX A

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
GENERAL REVENUE FUND						
Unprogrammed requirements for facilities statewide	\$ 0	0	0	38,049	38,049	0
Administrative support of Federal Projects	128,095	119,864	8,231 *	244,757	116,662	128,095 *
Design, project management, and construction inspection of Federal projects	172,082	127,467	44,615 *	197,011	24,929	172,082 *
Design, renovation, construction, and improvements at armories in Jackson, Sikeston, and Independence						
Site erosion repair	321	0	321 *	50,067	49,746	321 *
Renovate armory	260,606	260,606	0	301,921	41,315	260,606 *
Renovate armory	228,833	9,734	219,099 *	241,819	12,986	228,833 *
Correction of life safety code deficiencies at armories statewide	100,430	53,316	47,114 *	192,250	91,820	100,430 *
An asbestos abatement survey at armories statewide	0	0	0	63,255	62,445	810
Missouri Military Forces field support -						
Fuel and Utilities	1,382,651	841,171	541,480	1,334,651	1,294,611	40,040
Personal Service	994,846	818,821	176,025	927,691	810,062	117,629
Expense and Equipment	349,475	204,291	145,184	351,712	300,423	51,289
Design and construction of a new armory in Sedalia	396,252	268,712	127,540 *	483,553	87,301	396,252 *
Design, construction, renovations and improvements to the cafeteria at the Skelton training site	0	0	0	65,050	62,268	2,782
Missouri Military Forces Administration -						
Personal Service	1,945,167	1,586,894	358,273	1,930,802	1,771,721	159,081
Expense and Equipment	286,147	155,645	130,502	316,653	247,357	69,296
Drug Expense and Equipment	90,000	36,818	53,182	100,239	39,303	60,936
Operational maintenance and repairs for state and federally owned facilities	0	0	0	399,881	309,872	90,009
Challenge Youth Program -						
Personal Service	606,831	570,321	36,510	528,677	505,594	23,083
Expense and Equipment	543,442	435,184	108,258	472,003	357,843	114,160
A Multi-Use Facility on the MO State Fairgrounds for the Department of Agriculture and the Adjutant General-Missouri National Guard	1,031,760	169,854	861,906 *	0	0	0
National Guard Tuition Assistance Program pursuant to Section 73.239, RSMo	200,000	90,803	109,197	200,000	193,209	6,791
Maintenance, repairs, replacements, and improvements to roofing systems at the Missouri State Highway Patrol and Adjutant General - Missouri National Guard facilities statewide	0	0	0	47,455	6,588	40,867
Design and construction of a new armory at Macon	0	0	0	495,678	449,240	46,438
Design, project management and construction inspection of federal projects for the Adjutant General - Missouri National Guard	0	0	0	99,085	45,153	53,932
Office of Air Search and Rescue - Expense and Equipment	44,247	17,619	26,628	47,692	33,578	14,114
Troupers Training School -						
Personal Service	150,700	126,556	24,144	149,203	144,684	4,519
Expense and Equipment	20,831	0	20,831	20,831	5,374	15,457
Missouri Military Forces contract services -						
Personal Service	569,208	502,424	66,784	564,878	491,804	73,074
Expense and Equipment	475,912	374,525	101,387	475,912	461,417	14,495
Design and construction of an organizational maintenance shop at Camp Crowder	82,387	19,250	63,137 *	92,086	9,699	82,387 *
Administrative support of Federal Projects	200,000	23,193	176,807 *	0	0	0
Design, Project Management & Construction Inspection of federal projects for the Adjutant General - Missouri National Guard	200,000	14,346	185,654 *	0	0	0
Design and construction of a new armory in Maryville	1,757,698	387,651	1,370,047 *	0	0	0
Total General Revenue Fund	12,217,921	7,215,065	5,002,856	10,432,861	8,065,053	2,367,808

## APPENDIX A

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
FACILITIES MAINTENANCE RESERVE FUND						
Statewide assessment, abatement, removal, remediation, and management of hazardous materials and pollutants	12	0	12	224	212	12
For repairs, replacements, and improvements at armory facilities in Kansas City, Carthage, Clinton, Lamar, Sedalia, St. Joseph, Chillicothe, Neosho, Pierce City, Lexington, Springfield, Jefferson City, Lebanon, Hannibal, Salem, Perryville, Kirksville, Mexico, Farmington, Rolla, Portageville, Warrenton, West Plains, St. Clair, Kennett, and Jefferson Barracks						
Roof replacement masonry wall	189,736	162,451	27,285 *	537,210	347,474	189,736 *
Exterior masonry wall	230,444	30,870	199,574 *	244,800	14,356	230,444 *
Drainage waterproof	262,126	8,500	253,626 *	271,530	9,404	262,126 *
Roof replacement	221,773	136,126	85,647 *	228,571	6,798	221,773 *
Exterior repairs	88,710	67,083	21,627 *	250,319	161,609	88,710 *
Roof replacement	29,302	23,610	5,692 *	111,155	81,853	29,302 *
Roof repairs	109,725	53,674	56,051 *	269,638	159,913	109,725 *
Replace door, external and HVAC renovation	395,497	229,430	166,067 *	398,200	2,703	395,497 *
Structural repairs	82,132	19,284	62,848 *	165,464	83,332	82,132 *
HVAC renovation and boiler	97,280	0	97,280 *	115,668	18,388	97,280 *
Roof replacement	55,547	0	55,547 *	155,634	100,087	55,547 *
Roof replacement	75,805	26,799	49,006 *	441,353	365,548	75,805 *
Exterior masonry wall	213,700	25,547	188,153 *	213,700	0	213,700 *
Exterior masonry wall	240,500	24,254	216,246 *	240,500	0	240,500 *
Roof windows floor	636,661	357,619	279,042 *	771,035	134,374	636,661 *
HVAC renovation	96,900	12,183	84,717 *	96,900	0	96,900 *
Replace roof repair mason wall	791,342	113,809	677,533 *	798,099	6,757	791,342 *
Plumbing renovation roof replacement	85,826	85,826	0	182,908	97,082	85,826 *
Repair roof walls floors	135,301	27,963	107,338 *	235,727	100,426	135,301 *
Pavement repairs	10,498	10,498	0	13,558	3,060	10,498 *
Window replacement	114,100	0	114,100 *	114,100	0	114,100 *
Exterior masonry wall	22,963	22,963	0	140,674	117,711	22,963 *
Structural exterior repair	116,691	59,820	56,871 *	121,707	5,016	116,691 *
Structural repairs roofs	2,106	0	2,106 *	309,282	307,176	2,106 *
Replace roof waterproof	385,875	334,766	51,109 *	403,900	18,025	385,875 *
Driveway and parking lot repairs	17,056	0	17,056 *	111,100	94,044	17,056 *
Plumbing system renovations	180,300	2,776	177,524 *	180,300	0	180,300 *
Operational maintenance and repairs for state and federally owned facilities	399,881	399,821	60	0	0	0
Repairs, replacements, and improvements at national guard facilities statewide						
Adjutant General life safety code	218,729	8,610	210,119 *	0	0	0
Albany floor	57,953	0	57,953 *	0	0	0
Anderson masonry wall	162,684	0	162,684 *	0	0	0
Cape Girardeau windows	112,647	0	112,647 *	0	0	0
Caruthersville floor	60,084	0	60,084 *	0	0	0
Caruthersville repair	93,803	3,597	90,206 *	0	0	0
Charleston plumbing	190,177	5,062	185,115 *	0	0	0
Charleston wall repair	96,285	0	96,285 *	0	0	0
Clinton windows	49,394	0	49,394 *	0	0	0
DeSoto parking lot	98,883	2,013	96,870 *	0	0	0
Doniphan exterior wall	159,044	1,843	157,201 *	0	0	0
Doniphan floor	74,568	0	74,568 *	0	0	0
Farmington asphalt	77,421	0	77,421 *	0	0	0
Fulton windows	112,546	0	112,546 *	0	0	0
Hannibal parking lot	97,641	0	97,641 *	0	0	0
Harrisonville roof	160,483	2,663	157,820 *	0	0	0

## APPENDIX A

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
Ike Skelton USPFO roof	315,653	0	315,653 *	0	0	0
Independence renovate	255,674	0	255,674 *	0	0	0
Jackson roof	143,964	0	143,964 *	0	0	0
Jackson windows	111,521	0	111,521 *	0	0	0
Jefferson City roof	144,925	0	144,925 *	0	0	0
Kirksville HVAC	96,865	1,971	94,894 *	0	0	0
Lamar HVAC	142,196	9,532	132,664 *	0	0	0
Mexico windows	51,730	0	51,730 *	0	0	0
Moberly windows	88,240	0	88,240 *	0	0	0
Perryville asphalt	137,159	0	137,159 *	0	0	0
Richmond roof	161,204	20,647	140,557 *	0	0	0
Richmond windows	50,427	0	50,427 *	0	0	0
Rolla windows	76,167	35,685	40,482 *	0	0	0
Sikeston renovate	865,453	165,906	699,547 *	0	0	0
Springfield HVAC	53,571	0	53,571 *	0	0	0
Springfield roof	861,121	23,537	837,584 *	0	0	0
Warrensburg roof	293,538	18,702	274,836 *	0	0	0
Total Facilities Maintenance Reserve Fund	10,959,539	2,535,440	8,424,099	7,123,256	2,235,348	4,887,908
ADJUTANT GENERAL-FEDERAL FUND						
Federal real property operations and maintenance and minor construction programs at non-armory facilities	1,529,620	748,495	781,125 *	3,058,794	126,300	2,932,494 *
Federal real property operations and maintenance and minor construction programs at non-armory facilities	0	0	0	1,589,106	0	1,589,106
Federal real property operations and maintenance and minor construction programs at non-armory facilities	3,256,982	92,655	3,164,327 *	0	0	0
Federal environmental compliance program at non-armory facilities	1,695,644	431,167	1,264,477 *	1,722,000	26,356	1,695,644 *
Federal environmental compliance program at non-armory facilities	0	0	0	111,591	15,207	96,384
Federal environmental compliance program at non-armory facilities	0	0	0	404,480	93,030	311,450
Federal environmental compliance program at non-armory facilities	1,750,000	9,380	1,740,620 *	0	0	0
Design and construction of a new armory in Sedalia	3,849,865	953,186	2,896,679 *	3,947,988	98,123	3,849,865 *
Challenge Youth Program -						
Personal service	877,555	824,007	53,548	944,470	929,269	15,201
Expense and equipment	847,852	665,191	182,661	919,291	645,310	273,981
Payment of real property leases, real property lease purchases, related services, utilities, and systems furniture, and structural modifications	2,026,036	569,098	1,456,938 *	660,354	428,137	232,217
Design and construction of a new armory at Macon	0	0	0	1,216,083	887,271	328,812
Troupers training school - personal service	371,449	69,532	301,917	369,244	11,948	357,296
Design and construction of an organizational maintenance shop at Camp Crowder	47,947	3,235	44,712 *	1,372,280	1,324,333	47,947 *
Planning and design of the Maryville armory/ community center	0	0	0	692,445	154,049	538,396
Design and construction of a new armory in Maryville	6,775,200	978,133	5,797,067 *	0	0	0
Missouri Military Forces Contract Services -						
Personal service	6,492,085	5,395,314	1,096,771	6,062,291	5,299,658	762,633
Expense and equipment	8,950,000	7,993,412	956,588	7,250,000	6,580,441	669,559
Refunds	100,000	73,599	26,401	200,000	150,671	49,329
Total Adjutant General-Federal Fund	38,570,235	18,806,404	19,763,831	30,520,417	16,770,102	13,750,314

APPENDIX A

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
MISSOURI NATIONAL GUARD TRAINING SITE FUND						
Training site operating costs	364,800	302,716	62,084	317,800	300,736	17,064
Total Missouri National Guard Training Site Fund	364,800	302,716	62,084	317,800	300,736	17,064
VETERANS' COMMISSION CAPITAL IMPROVEMENT TRUST FUND						
World War II veterans' recognition program	3,000,000	627,994	2,372,006 *	0	0	0
Total Veterans' Commission Capital Improvement Trust Fund	3,000,000	627,994	2,372,006	0	0	0
ADJUTANT GENERAL REVOLVING FUND						
Fuel and utility expenses at armories from armory rental fees	60,000	48,577	11,423	200,000	182,488	17,512
Total Adjutant General Revolving Fund	60,000	48,577	11,423	200,000	182,488	17,512
NATIONAL GUARD TRUST FUND						
Military Honors Program Pursuant to Section 41.958, RSMo-						
Personal service	1,031,810	610,952	420,858	1,022,696	790,299	232,397
Expense and equipment	1,219,325	620,942	598,383	1,219,325	554,723	664,602
National guard tuition assistance program pursuant to Section 173.239, RSMo	2,262,400	2,022,360	240,040	2,007,717	1,613,283	394,434
Total National Guard Trust Fund	4,513,535	3,254,254	1,259,281	4,249,738	2,958,305	1,291,433
Total All Funds	\$ 69,686,030	32,790,450	36,895,580	52,844,072	30,512,032	22,332,040

\* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for biennial appropriation at the end of the first year.

## APPENDIX A

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	2002			2001		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
MISSOURI NATIONAL GUARD TRAINING SITE FUND						
Training site operating costs	364,800	302,716	62,084	317,800	300,736	17,064
Total Missouri National Guard Training Site Fund	364,800	302,716	62,084	317,800	300,736	17,064
VETERANS' COMMISSION CAPITAL IMPROVEMENT TRUST FUND						
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Total Veterans' Commission Capital Improvement Trust Fund	3,000,000	627,994	2,372,006	0	0	0
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Total All Funds	\$ 69,686,030	32,790,450	36,895,580	52,844,072	30,512,032	22,332,040

\* Biennial appropriations set up in the current fiscal year are re-appropriations to the next fiscal year. After the fiscal year-end processing has been completed, the unexpended appropriation balance for a biennial appropriation is established in the new fiscal year. Therefore, there is no lapsed balance for biennial appropriation at the end of the first year.



Appendix B

DEPARTMENT OF PUBLIC SAFETY  
OFFICE OF THE ADJUTANT GENERAL  
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

Year Ended June 30,				
2002		2001		
Expenditures From	Expenditures From	Expenditures From	Expenditures From	
Adjutant General	Department-Wide	Adjutant General	Department-Wide	
Appropriations	Appropriations for the	Appropriations	Appropriations for the	
	Adjutant General		Adjutant General	
Salaries and wages	\$ 10,504,821	0	10,755,040	0
Travel	171,234	0	203,337	0
Fuel and utilities	3,072,691	0	3,345,964	0
Supplies	2,000,244	0	1,849,753	0
Professional development	70,864	0	29,873	0
Communication services and supplies	1,590,556	0	1,037,075	0
Services:				
Professional	3,372,444	4,398	2,901,582	7,661
Housekeeping and janitorial	403,975	0	485,471	0
Maintenance and repair	779,853	0	461,952	0
Equipment:				
Computer	168,170	0	46,885	0
Motorized	75,088	0	52,595	0
Office	40,780	0	26,743	0
Other	644,239	0	556,630	0
Property and improvements	6,781,382	36,185	6,075,537	932,744
Building lease payments	569,486	0	482,679	0
Equipment rental and leases	58,569	0	3,420	0
Miscellaneous expenses	297,593	0	240,333	0
Refunds	75,298	0	150,671	0
Program distributions	2,113,163	0	1,806,492	0
Total Expenditures	\$ 32,790,450	40,583	30,512,032	940,405

\* \* \* \* \*